Bangkok Commercial Asset Management (BAM TB)

Key Takeaways From The BAM Symposium Event

Highlights

- BAM initiated the BAM Symposium event by inviting many stakeholders.
- BAM's CEO plans to escalate the AMC system standard in Thailand.
- Maintain BUY with a target price of Bt10.00.

Analysis

- **Positive sentiments from the BAM Symposium event.** We attended the Bangkok Commercial Asset Management (BAM) Symposium on 28 Oct 25. BAM initiated the event under the theme "New Era of AMC 2025". The core focus was on how AMCs can effectively absorb distressed loans out of system.
- **BOT governor's vision toward AMC and NPL resolution.** BAM also invited the Bank of Thailand (BOT) Governor, Dr. Vitai Ratanakorn, to share his vision. The BOT will announce the establishment of the JV Asset Management Companies (AMC) soon and expects to see a higher participation rate from the 90 AMCs in Thailand. He anticipates that AMCs will increase their NPL purchases to 30% of the total NPL (up from the current level of 10%). BOT will designate Sukhumvit Asset Management (SAM) as the primary leader in NPL purchases. Meanwhile, BAM will serve as the second-tier entity to assist in NPL purchases, especially for secured distressed loans. The Governor also mentioned that AMCs should be included in the National Credit Bureau (NCB) system to facilitate better analysis of distressed loans and more effective debt resolution.
- **BAM's CEO plans to escalate AMC system standards in Thailand.** BAM's CEO provided data-driven insight on distressed loans and expects the NPL in the system to increase from the current level of Bt1t to nearly Bt2t after the first year of the "You Fight, We Help" measure. The CEO further suggested that if AMCs can increase their NPL purchasing capacity from 10% (Bt100b) of the total annual NPL to 20%, the NPLs in the system could be eliminated within six years. BAM's CEO then invited other leading AMCs to cooperate in helping distressed debtors return to being performing loans by offering measures with flexibility. After the debt restructuring programme is completed, the NPL debtors would be transformed into Reperforming Loans (RPLs). The RPLs will have a new credit profile, allowing them to re-enter the loan system.

Key Financials

Year to 31 Dec (Btm)	2023	2024	2025F	2026F	2027F
Net Interest Income	6,269	6,967	5,559	5,113	5,476
Non-Interest Income	2,827	2,612	4,304	4,138	4,140
Net profit	1,534	1,602	2,415	2,020	2,271
Net profit (adj.)	1,534	1,602	2,415	2,020	2,271
EPS (Bt)	0.5	0.5	0.7	0.6	0.7
PE (x)	14.4	13.8	9.2	11.0	9.8
P/B (x)	0.5	0.5	0.5	0.5	0.5
Dividend yield (%)	5.5	5.1	7.1	6.3	7.1
Net Int margin (%)	0.0	0.0	0.0	0.0	0.0
Cost/income ratio (%)	33.3	30.4	29.5	30.5	31.0
Loan loss cover (%)	0.0	0.0	0.0	0.0	0.0
Consensus net profit	-	-	2,326	2,182	2,425
UOBKH/Consensus (x)	-	-	1.04	0.93	0.94

Source: Bangkok Bank, Bloomberg, UOB Kay Hian

BUY (Maintained)	
Share Price	Bt6.85
Target Price	Bt10.00
Upside	46.0%

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Stock Data

GICS Sector	Financials
Bloomberg ticker	BAM TB
Shares issued (m)	3,232.0
Market cap (Btm)	22,139.5
Market cap (US$m)	683.2
3-mth avg daily t'over (US$m)	3.7

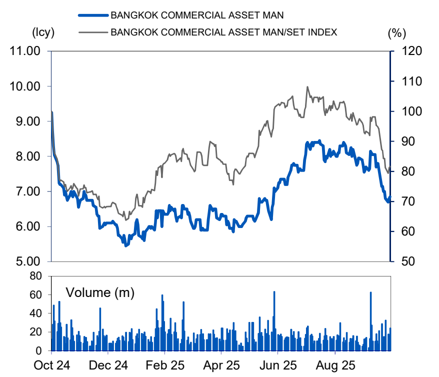
Price Performance (%)

52-week high/low: Bt9.35/Bt5.35

1mth	3mth	6mth	1yr	YTD
(13.8)	(13.3)	10.5	(24.3)	12.3

Major Shareholders	%
FIDF Funds	45.79
Thai NVDR	2.99
South East Asia UK (Type C) Nominees	2.22

Price Chart



Source: Bloomberg

Company Description

Thailand's largest asset management company established with the core mission of managing the non-performing loans of financial institutions in the country. Also manages non-performing assets.

- **3Q25 results preview.** We expect BAM to report a net profit of Bt465m for 3Q25, increasing 133% yoy but tumbling sharply 64% qoq. The sharp qoq decline in earnings would be due to the absence of large debt collection and distressed asset sale transactions. However, the company guided that several major transactions remain on track. Thus, we forecast BAM delivering a net profit growth of 51% yoy in 2025.

3Q25 Results Preview

Year to 31 Dec (Btm)	3Q25F	2Q25	3Q24	qoq chg (%)	yoy chg (%)
Total Cash Collection (NPLs+NPAs)	3,745	6,962	3,417	(46.2)	9.6
Cash Collection (NPLs)	2,249	4,260	2,162	(47.2)	4.0
Cash Collection (NPAs)	1,495	2,702	1,255	(44.7)	19.1
Interest Income - Collected	874	1,734	817	(49.6)	7.0
Interest Income - Accrued	874	132	1,116	562.0	(21.7)
Net Interest Income	1,197	1,442	1,752	(17.0)	(31.7)
Non-Interest Income	894	1,900	523	(52.9)	70.9
Provision Expenses	(911)	(784)	(1,312)	16.1	(30.6)
Total Operating Expenses	(621)	(926)	(714)	(33.0)	(13.1)
Net income	465	1,294	199	(64.1)	133.1
EPS (Bt)	0.14	0.40	0.06	(64.1)	133.1
Ratio (%)					
Cash collection to total port (%)	10.5	19.4	9.5		
Gain on loans purchased Loans % Cash Collection	8.7	8.2	28.2		
NPA margin (%)	57.1	69.7	39.7		
Credit Cost (bp)	443	370	581		
Cost to income (%)	29.5	27.5	31.4		

Source: BAM, UOB Kay Hian

Valuation/Recommendation

- **Maintain BUY with an unchanged target price of Bt10.00.** We use the Gordon Growth Model (cost of equity: 12.0%, long-term growth: 3%). This implies 2026F P/B of 0.70x, which is below -0.5SD to its five-year mean.

Earnings Revision/Risk

- No earnings revision.

Share Price Catalyst

- Upgrade in dividend payout.

Environment Social Governance (ESG) Updates

CG Report: 5
SET ESG Rating: AA

Environmental

- BAM is committed to environmental management.

Social

- BAM is committed to mitigating potential social impacts.

Governance

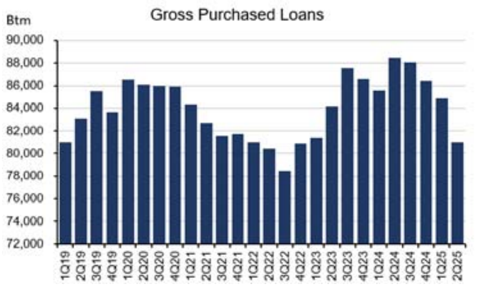
- BAM is committed to conducting its business with integrity and a fairness framework.

2025 Financial Targets

	1H25 Actual	2025 Targets	2024 Actual
Total Collection	Bt10.2b	Bt17.8b	Bt17.8b
NPLs collection	Bt6.2b	Bt10.8b	Bt10.8b
NPAs collection	Bt3.9b	Bt7b	Bt7b

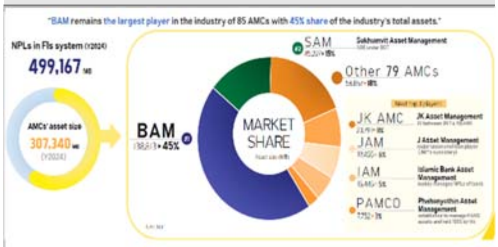
Source: BAM, UOB Kay Hian

Gross Purchased Loans



Source: BAM, UOB Kay Hian

Market Share Of Thailand's Distressed AMC



Source: BAM, UOB Kay Hian

PE Band

Source: BAM, UOB Kay Hian

P/B Band

Source: BAM, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Interest Income	10,199	8,719	7,890	7,928
Interest Expense	(3,231)	(3,160)	(2,777)	(2,451)
Net Interest Income	6,967	5,559	5,113	5,476
Fees & Commissions	2,612	4,304	4,138	4,140
Other Income	0	0	0	0
Non-Interest Income	2,612	4,304	4,138	4,140
Total Income	9,580	9,863	9,251	9,617
Staff Costs	(1,438)	(1,544)	(1,423)	(1,510)
Other Operating Expense	(1,476)	(1,369)	(1,397)	(1,471)
Pre-Provision Profit	6,666	6,950	6,430	6,636
Loan Loss Provision	(4,717)	(3,908)	(3,912)	(3,807)
Pretax profit	1,948	3,042	2,519	2,829
Tax	(347)	(628)	(499)	(559)
Minorities	0	0	0	0
Net profit (adj.)	1,602	2,415	2,020	2,271

Balance Sheet

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Cash With Central Bank	1,750	1,429	1,331	1,245
Govt Treasury Bills & Securities	0	0	0	0
Interbank Loans	0	0	0	0
Customer Loans	78,041	70,003	64,958	60,299
Investment Securities	736	733	733	733
Derivative Receivables	0	0	0	0
Associates & JVs	0	0	0	0
Fixed assets (incl. prop.)	38,771	40,726	42,510	44,178
Other assets	20,671	19,444	18,617	17,809
Total Assets	139,969	132,334	128,149	124,266
Interbank Deposits	0	0	0	0
Customer Deposits	0	0	0	0
Derivative Payables	0	0	0	0
Debt equivalents	93,912	85,141	80,595	75,936
Other Liabilities	2,498	2,383	2,305	2,208
Total Liabilities	96,410	87,525	82,901	78,143
Shareholders' equity	44,225	45,506	45,945	46,819
Minority interest	0	0	0	0
Total liabilities & equity	140,635	133,031	128,846	124,963

OPERATING RATIOS

Year to 31 Dec (%)	2024	2025F	2026F	2027F
Capital Adequacy				
Tier-1 CAR	0.0	0.0	0.0	0.0
Total CAR	0.0	0.0	0.0	0.0
Total assets/equity (x)	3.2	2.9	2.8	2.7
Tangible assets/tangible common	3.2	2.9	2.8	2.7
Asset Quality				
NPL ratio	0.0	0.0	0.0	0.0
Loan loss coverage	0.0	0.0	0.0	0.0
Loan loss reserve/gross loans	27.7	32.0	36.1	40.1
Increase in NPLs	n.a.	n.a.	n.a.	n.a.
Liquidity				
Loan/deposit ratio	1.1	1.2	1.3	1.4
Liquid assets/short-term liabilities	0.0	0.0	0.0	0.0
Liquid assets/total assets	1.3	1.1	1.0	1.0

Key Metrics

Year to 31 Dec (%)	2024	2025F	2026F	2027F
Growth				
Net interest income, yoy chg	11.1	(20.2)	(8.0)	7.1
Fees & commissions, yoy chg	(7.6)	64.8	(3.9)	0.1
Pre-provision profit, yoy chg	9.8	4.3	(7.5)	3.2
Net profit, yoy chg	4.4	50.8	(16.4)	12.4
Net profit (adj.), yoy chg	4.4	50.8	(16.4)	12.4
Customer loans, yoy chg	(0.8)	(10.3)	(7.2)	(7.2)
Customer deposits, yoy chg	n.a.	n.a.	n.a.	n.a.
Profitability				
Net interest margin	0.0	0.0	0.0	0.0
Cost/income ratio	30.4	29.5	30.5	31.0
Adjusted ROA	1.2	1.8	1.5	1.8
Reported ROE	3.6	5.4	4.5	5.0
Adjusted ROE	3.6	5.4	4.5	5.0
Valuation				
P/BV (x)	0.5	0.5	0.5	0.5
P/NTA (x)	15.8	16.8	17.3	17.8
Adjusted P/E (x)	13.8	9.2	11.0	9.8
Dividend Yield	5.1	7.1	6.3	7.1
Payout ratio	71	65	69	69

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